



State of Washington
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112
Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdca.wa.gov

9:30 a.m.
April 27, 2006

MINUTES – REGULAR MEETING

John L. O'Brien Bldg
Hearing Room D
Olympia, Washington

COMMISSION MEMBERS PRESENT

Earl Tilly, Chair
Jane Noland, Vice Chair
Bill Brumsickle, Secretary
Michael Connelly, Member
Ken Schellberg, Member

STAFF PRESENT

Vicki Rippie, Executive Director
Doug Ellis, Assistant Director
Michael Smith, Chief Technology Officer
Nancy Krier, Senior Counsel
Linda Dalton, Sr. Asst. Attorney General
Chip Beatty, Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Earl Tilly at 9:30 a.m. in the John L. O'Brien Building, Hearing Room D, Olympia, Washington.

Commissioner Comments

Commissioner Schellberg noted that he attended the brief enforcement hearing earlier that morning. There were several filers who had attempted to file electronically but did not realize that they were unsuccessful. He recommended that a prompt be inserted into the filing system so that filers would print the confirmation number when they filed.

Vicki Rippie stated that staff would make a concerted effort to remind filers to print the confirmation and to educate them that if there is no confirmation that their filing was not successful.

Rule Making
Public Hearing

Vicki Rippie reviewed the proposed rules scheduled for public hearing and possible permanent adoption, noting that the rules would be placed in four chapters of Title 390 WAC. If approved, the rules are effective 31 days after filing the appropriate forms with the Code Reviser.

No public testimony was offered on any of the proposals.

Chapter 390-05 WAC

- a. Amend WAC 390-05-210 Definition -- Contribution
- b. New WAC 390-05-500 Debate or forum
- c. New WAC 390-05-505 Electioneering communication exclusions
- d. New WAC 390-05-510 General treasury funds
- e. New WAC 390-05-515 Member
- f. New WAC 390-05-520 Periodical
- g. New WAC 390-05-525 Public service announcement
- h. New WAC 390-05-530 Funding sources for electioneering communications

Motion 06-098

Moved by Commissioner Connelly, seconded by Commissioner Brumsickle:

The Commission adopts as presented language for WAC 390-05-210 Definition – Contribution, WAC 390-05-500 Debate or forum, WAC 390-05-505 Electioneering communication exclusions, WAC 390-05-510 General treasury funds, WAC 390-05-515 Member, WAC 390-05-520 Periodical, WAC 390-05-525 Public service announcement and WAC 390-05-530 Funding sources for electioneering communications.

The motion passed unanimously.

Chapter 390-16 WAC

- i. Amend WAC 390-16-060 Forms for report of independent expenditures and electioneering communications
- j. New WAC 390-16-063 Additional information regarding C-6 report filing
- k. Amend WAC 390-16-207 In-kind contributions – Explanation and reporting
- l. New WAC 390-16-307 Contributions by controlled entities

Motion 06-099

Moved by Commissioner Brumsickle, seconded by Commissioner Schellberg:

The Commission adopts as presented language for WAC 390-16-060 Forms for report of independent expenditures and electioneering communications, WAC 390-16-063 Additional information regarding C-6 report filing, WAC 390-16-207 In-kind contributions – Explanation and reporting and WAC 390-16-307 Contributions by controlled entities.

The motion passed unanimously.

Chapter 390-17 WAC

- m. Amend WAC 390-17-030 Sample ballots and slate cards
- n. Amend WAC 390-17-060 Exempt activities – Definitions, reporting
- o. New WAC 390-17-410 Electioneering communications may constitute contributions and be subject to limit

Motion 06-100

Moved by Commissioner Connelly, seconded by Commissioner Schellberg:

The Commission adopts as presented language for WAC 390-17-030 Sample ballots and slate cards, WAC 390-17-060 Exempt activities – Definitions, reporting and WAC 390-17-410 Electioneering communications may constitute

contributions and be subject to limit.

The motion passed unanimously.

Chapter 390-18 WAC

- p. Amend WAC 390-18-010 Advertising, political advertising, electioneering communications, and independent expenditures
- q. Amend WAC 390-18-020 Advertising – Political party identification
- r. Amend WAC 390-18-025 Advertising – Identification of “top five contributors”
- s. New WAC 390-18-027 Medium that does not include a visual image
- t. Amend WAC 390-18-030 Advertising – Exemptions from identification
- u. Amend WAC 390-18-040 Use of the terms “reelect,” “retain,” and “return”
- v. Amend WAC 390-18-050 Commercial advertisers – Public inspection of records
- w. New WAC 390-18-060 Electioneering communication reporting threshold and sponsors

Motion 06-101

Moved by Commissioner Brumsickle, seconded by Commissioner Noland:

The Commission adopts as presented language for WAC 390-18-010 Advertising, political advertising, electioneering communications, and independent expenditures, WAC 390-18-020 Advertising – Political party identification, WAC 390-18-025 Advertising – Identification of “top five contributors,” WAC 390-18-027 Medium that does not include a visual image, WAC 390-18-030 Advertising – Exemptions from identification, WAC 390-18-040 Use of terms “reelect,” “retain,” and “return,” WAC 390-18-050 Commercial advertisers – Public inspection of records and WAC 390-18-060 Electioneering communication reporting threshold and sponsors.

The motion passed unanimously.

Commissioner Noland asked staff to schedule a future discussion of having the law revised such that automated phone calls fall within the definition of electioneering communication.

Ms. Rippie noted that the Commission is interested in revisiting the rule regarding slate cards.

Informal Settlements

Doug Ellis briefly summarized draft language amending WAC 390-37-090 Informal settlement – Cases resolvable by stipulation prior to an enforcement hearing (adjudicative proceed), or by other alternative dispute mechanisms.

If approved staff will file the appropriate notice with the Code Reviser's Office and a public hearing will be scheduled for June 29, 2006.

Commissioner Tilly remarked that he doesn't believe the current system merits changing. Commissioner Connelly stated that the draft change would be useful in the majority of situations, but that he would not want to preclude accepting a stipulation immediately prior to a hearing. Commissioner Noland said that the extra time would be beneficial.

Motion 06-102

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

The Commission approves draft language amending WAC 390-37-090 Informal settlement – Cases resolvable by stipulation prior to an enforcement hearing (adjudicative proceeding), or by other alternative dispute mechanisms.

The motion passed unanimously.

Discussion of possible rulemaking regarding personal financial affairs reporting including by limited liability partners

Senior Counsel Nancy Krier updated the Commission with respect to limited liability partnerships and similar companies.

Commissioner Connelly remarked that, as outlined in Ms. Krier's memo, there are several areas of the WAC that need to be updated. Staff should schedule this for a review at a future date.

The Commission concurred.

Draft 2007-09 Strategic Plan

Vicki Rippie presented the Commission with a draft version of the 2007-09 Strategic Plan that was compiled from the March 22, 2006, work session.

Commissioner Connelly commented that he would like to consider inserting "develop long-term strategies for legal issues" into goal number five.

The Commission concurred.

Staff Accountability Reports

2005-07 Strategic Plan Progress Report

Vicki Rippie summarized staff implementation of the 2005-07 Strategic Plan. The summary of the progress is attached to these minutes.

Government Management, Accountability and Performance (GMAP)

Phil Stutzman presented performance data from the Compliance section regarding the complaint review and investigation process, complaints received by category, customer assistance workload, and types of enforcement action taken.

Reporting Modifications

Renewals (with changes)

Monte Dahlstrom, Commissioner, Grays Harbor Water District #2

Kurt Young reported that Mr. Dahlstrom requests a) an exemption from reporting the business and governmental customers of Group Investment LLC, a money lending company in Grays Harbor County of which he is part owner, and b) a renewal of the modification for Dahlstrom Lumber Company, Local Manufacturing, Viking Lumber Company, A-Fab, Inc., and Little River, Inc.

Mr. Dahlstrom participated by phone. He informed the Commission that the entire customer base of Group Investment LLC is Dahlstrom Lumber Company, Local Manufacturing, Viking Lumber Company, A-Fab, Inc., and Little River, Inc.

Motion 06-103

Moved by Commissioner Connelly, seconded by Commissioner Schellberg:

The Commission grants Monte Dahlstrom a partial reporting modification.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

New

*Jeff Hall, Commissioner, Benton
Public Utility District #1*

Kurt Young reported that Mr. Hall requests an exemption, in accordance with PDC Interpretation 02-05 for Motor Vehicle Dealers, from reporting the business and governmental customers of Hall Chevrolet-Buick, which he owns.

Motion 06-104

Moved by Commissioner Connelly, seconded by Commissioner Brumsickle:

The Commission grants Jeff Hall a partial reporting modification.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Renewals (no change)

The Commission considered the requests for renewals with no change en masse.

Motion 06-105

Moved by Commissioner Connelly, seconded by Commissioner Brumsickle:

The Commission grants Gordon Budke, Craig Cole, Darlene Hartley and Rebecca Stillings partial reporting modifications as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

Website Redesign Preview

Michael Smith demonstrated anticipated changes to the PDC website as suggested by the Website Redesign Committee. Mr. Smith presented enhanced features which include user friendly links for filer assistance, a searchable database and new layout designs.

Recess

Commissioner Tilly recessed the meeting at 11:55 a.m. for lunch.

Reconvene

The Commission returned from recess at 12:50 p.m.

Executive Session

The Commission went into executive session at 12:51 p.m. to discuss pending and potential litigation with legal counsel.

Public Session

The Commission returned to public session at 1:29 p.m.

Staff Reports

Executive Director

Vicki Rippie gave a brief summary of the impact and implementation of SHB 1226 which goes into effect June 6, 2006. This law imposes contribution limits on judicial office candidates and candidates for certain county and port district offices.

Ms. Rippie notified the Commission that the Center for Public Integrity recently determined Washington's financial disclosure laws with respect to personal finances of legislative members are first in the nation.

Assistant Director

Doug Ellis reported that quarterly press releases were issued identifying those filers who have delinquent penalties.

Chief Technology Officer

Michael Smith reported that Online Reporting of Campaign Activity (ORCA) usage is increasing and filer training for the new software is continuing.

Adjournment

Chair Tilly adjourned the meeting at 1:55 p.m. The next meeting is scheduled for Wednesday, May 31, 2006.

Approved by the Commission 5/31/06